

31A-27a-406 Notice to creditors and others.

- (1) Unless the receivership court otherwise directs, the liquidator shall give or cause to be given notice of the liquidation order as soon as possible:
 - (a) by first-class mail or electronic communication as permitted by the receivership court to the following at their last-known address:
 - (i) all of the insurer's agents, brokers, or producers of record with a current appointment or current license to represent the insurer; and
 - (ii) all other agents, brokers, or producers that the liquidator considers appropriate;
 - (b) by first-class mail or electronic communication as permitted by the receivership court to:
 - (i) all current policyholders;
 - (ii) all pending claimants; and
 - (iii) as determined by the receivership court, former policyholders and other creditors; and
 - (c) by publication:
 - (i) once in a newspaper of general circulation in:
 - (A) the county in which the insurer has its principal place of business; and
 - (B) other locations that the liquidator considers appropriate; and
 - (ii) as required in Section 45-1-101.
- (2) The notice of the entry of an order of liquidation shall contain or provide directions for obtaining the following information:
 - (a) a statement that the insurer has been placed in liquidation;
 - (b) a statement:
 - (i) explaining that certain acts are stayed under Section 31A-27a-108; and
 - (ii) describing any additional injunctive relief ordered by the receivership court;
 - (c) a statement whether, and to what extent, the insurer's policies continue in effect;
 - (d) to the extent applicable, a statement that coverage by guaranty associations may be available for all or part of policy benefits in accordance with applicable state guaranty laws;
 - (e) a statement of:
 - (i) the deadline for filing claims, if established; and
 - (ii) the requirements for filing a proof of claim pursuant to Section 31A-27a-601 on or before that date;
 - (f) a statement of the date, time, and location of any initial status hearing scheduled at the time the notice is sent;
 - (g) a description of the process for obtaining notice of matters before the receivership court; and
 - (h) other information as the liquidator or the receivership court considers appropriate.
- (3) If notice is given in accordance with this section, the distribution of property of the insurer under this chapter is conclusive with respect to all claimants, whether or not the claimant received notice.
- (4)
 - (a) Notwithstanding the other provisions of this section, the liquidator has no duty to locate any person if:
 - (i) no address is found in the records of the insurer; or
 - (ii) a mailing is returned to the liquidator because of inability to deliver at the address shown in the insurer's records.
 - (b) In the circumstances described in Subsection (4)(a), the notice by publication as required by this chapter or actual notice received is sufficient notice.
 - (c) Written certification by the liquidator or other knowledgeable person acting for the liquidator that a notice is deposited in the United States mail, postage prepaid, or that the notice is electronically transmitted is prima facie evidence of mailing and receipt.

- (d) A claimant has a duty to keep the liquidator informed of any change of address.
- (5) Notwithstanding Subsection (1):
 - (a) upon application of the liquidator, the receivership court may find that notice by publication as required in this section is sufficient notice to those persons holding an occurrence policy:
 - (i) that expired more than four years before the day on which the order of liquidation is entered;
and
 - (ii) under which there are no pending claims; or
 - (b) the receivership court may order other notice to those persons that the receivership court considers appropriate.

Amended by Chapter 388, 2009 General Session